ATARI EXPLORER THE OFFICIAL ATARI JOURNAL

To: Sam Tramiel

From: John Jainschigg

| Exhibit 1 | PIL | |
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| Consisting of _ | Deft. Pages | IDEN |
| Witness | ~ ^ | |
| Date ~ | . 12 5 | |

I would appreciate receiving the call I was told to expect yesterday morning, since without further information, I am puzzled on how best to employ myself. Early yesterday, I sent a backgrounder via FAX, which details the situation hereabouts -- Jim says he received and has read it.

To the contents of that FAX, I have this to add: Yesterday, as the result of a memo I sent to Jim, Madeline Gordon finally figured out my sideways connection with Atarian Magazine, and called me about routing Atarian-related mail to her for handling. Weirdly enough, not even Don Thomas (who was actually responsible for routing the memo) had registered the fact that Atarian was operated by David Ahl, so I guess that's why my own numerous earlier memoranda on the "Atarian problem" were not passed on to Madeline in a more directed and timely fashion.

Anyway, now that Madeline and I have passed the I.Q. test, I thought it might be worthwhile to mention some problems I discem in the approach Atari is taking to Atarian refunds, and offer an alternative solution. The big problem is that Atari doesn't have the Atarian lists, which means Madeline has to go through all sorts of checking (and phoning, and 1st Class mail, etc.) to confirm refunds. Handling this on a case-by-case basis is really not cost-effective. Moreover, all that's required to really screw it up is for word to somehow get out that Atari will send you a free game if you tell them you were an Atarian subscriber. Besides, the law says something about being obliged to inform subscribers, collectively, about any refund program, so Atari is still not in full compliance.-->

CONFIDENTIAL JOSZODE

Instead of all this hand-work, why don't you let me weasel the names out of Betsy and David (it'll cost something, but probably not the "punishment rates" they offered to charge you), and just fold them into Explorer's list? In most cases, we're liable for only three issues, plus the names would swell my circulation and let me pull down game-related advertising. If we decide to take this course of action, all I have to do is pick up the "Atarian" logo and stick it in front of the 12 or so pages of game-system coverage I've already got slated for the issue, creating an "Atarian Mini-Magazine." Stick a banner on the cover identifying it as such, and the kids will essentially be getting what they were getting from Atarian (minus the crappy comic art and puzzle pages), so they should be thrilled. And it gets the problem off Sunnyvale's plate probably far cheaper, in the long run, than working Madeline's fingers to the bone. It also puts us in compliance with the law and lets us solve the problem without any risk of getting ripped off. What say you?

In any case, please call this morning -- I'm treading water, here.

John Jainschigg

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